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R 121605Z MAR 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9781

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

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PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR UK EEC

SUBJECT: EC 1976-77 FARM DECISIONS CAUSE DISMAY IN

DECISIONS ALSO ANNOURCED

REF: EC BRUSSELS 2337. 2284, 2390

BEGIN SUMMARY. THE OUTCOME OF THE MARCH 2-6 EC COUNCIL
OF AGRICULTURAL MINISTERS' MEETING HAS MET WITH VERY

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MIXED RESPONSE IN UK. THE 7.5 PERCENT AVERAGE PRICE

INCREASE IS WIDELY CONSIDERED TO BE TOO HIGH EXCEPT BY BRITISH FARMERS. THERE IS GRATIFICATION THAT THE BEEF PREMIUM SYSTEM WILL CONTINUE BUT DISMAY THAT EC CONTRIBUTION WILL BE CUT. NFDM INCORPORATION IN FEED SCHEME IS BITTER PILL FOR UK TO SWALLOW. THERE IS A GENERAL VIEW THAT THE GOVERNMENT'S MUCH VAUNTED CAP RENEGOTIATION CLAIMS HAVE BEEN SHOWN TO BE HOLLOW AND THAT TO GET AGREEMENT FOR BEEF PREMIUMS AGRICULTURE MINISTER PEART WAS OBLIGED TO GIVE WAY ON ALMOST EVERYTHING ELSE. UK PRICE REVIEW WAS ANNOUNCED ON MONDAY, MARCH 8. BIG INCREASES WERE ANNOUNCED IN GUARANTEE PRICES OF FAT SHEEP, WOOL AND POTATOES. NFU REACTION TO THE TWO PRICE REVIEWS IS GENERALLY FAVOURABLE AND NFU HAS BITTERLY ATTACKED CRITICS OF THE DEALS. THESE CRITICS INCLUDE NOT ONLY ANTI-EC MP'S BUT ALSO SOME COMMITTED EUROPEANS WHO HAVE COMPLAINED PEART DID NOT DO ENOUGH TO MAKE EC FACE UP TO SURPLUS PRODUCTION PROBLEMS. COMBINED EFFECT OF C AND UK REVIEWS AND TRANSITIONAL STEP RAISES UK FARM PRICES BY AVERAGE 14 1/2 PERCENT. BRUSSELS' DECISIONS ESTIMATED TO ADD ONE PERCENT TO RETAIL FOOD PRICE INDEX WHILE UK REVIEW AND TRANSITIONAL PRICE INCREASES WILL ADD A FURTHER 1 1/4 PERCENT. PEART SUCCESSFULLY FOUGHT OFF PROPOSAL TO DEVALUE GREEN POUND BY 2 PERCENT. END SUMMARY.

1. UK MINISTER OF AGRICULTURE PEART REPORTED TO HOUSE OF COMMONS ON MARCH 8 THE RESULTS OF MARCH 2-6 COUNCIL OF AGRICULTURE MINISTERS' MEETING TO DETERMINE 1976-77 FARM PRICES AND OTHER MEASURES. SIMULTANEOUSLY, HE ANNOUNCED THE UK'S ANNUAL REVIEW PRICES AND GRANTS APPLICABLE IN THOSE AREAS WHERE UK STILL HAS SOME AUTONOMY. PEART SAID THAT IN THE LIGHT OF COMMUNITY DECISIONS ON MILK, THE UK GUARANTEE PRICE FOR MILK WILL GO UP BY 6 PENCE PER IMPERIAL GALLON OR 16 PERCENT TO 43 PENCE PER GALLON (9.46 PENCE PER LITRE). THE STANDARD QUANTITY, THE PROPORTION OF PRODUCTION UPON WHICH THE FULL GUARANTEE IS PAID, GOES UP FROM 2,950 MILLION GALLONS TO 3,050 MILLION GALLONS (13,865 MILLION LITRES). SINCE MILK PRODUCTION IN THE COMING YEAR WILL PROBABLY BE AROUND 3,000 MILLION GALLONS THIS MEANS ALL MILK SOLD OFF FARMS

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WILL BENEFIT FROM THE FULL GUARANTEE PRICE. PEART ASSURED COMMONS THAT THIS HIGHER SUPPORT LEVEL WILL NOT RESULT IN ANY INCREASE IN RETAIL MILK PRICE UNTIL THE AUTUMN. IT IS, HOWEVER, GENERALLY ACCEPTED THAT TOWARDS THE END OF THIS YEAR THE RETAIL FLUID MILK PRICE WILL HAVE TO RISE BY ONE PENNY PER PINT TO 9 1/2 PENCE. PEART WAS ANXIOUS TO STRESS THE COUNCIL'S INTENTION TO DECIDE BY NEXT SEPTEMBER ON A WAY IN WHICH COMMUNITY

MILK PRODUCERS CAN MAKE A FINANCIAL CONTRIBUTION TO THE RESTORATION OF A BALANCE IN THE MILK SECTOR. HE SAID. "IN THESE DISCUSSIONS, I SHALL INSIST ON THE ABSOLUTE NEED FOR MEASURES WHICH WILL DEAL ADEQUATELY WITH THE COMMUNITY'S STRUCTURAL SURPLUS." SPEAKING OF THE MILK GUARANTEE PRICE INCREASES, HE SAID. "THESE DECISIONS DEMONSTRATE THE CONTINUING PRIORITY WHICH WE GIVE TO ECONOMIC MILK PRODUCTION IN THE UK. WHILE EXERCISING RESTRAINT ON THE FULL LEVEL OF COMMUNITY PRICES. THUS WE HAVE BEEN ABLE TO IMPROVE FURTHER THE RELATIVE POSITION OF THE UK MILK PRODUCER."

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ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01

XMB-04 OPIC-06 /127 W

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R 121605Z MAR 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9782

INFO AMEMBASSY BONN

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2. RETENTION OF THE BEEF PREMIUMS SCHEME WAS PEART'S MAJOR QUEST IN BRUSSELS. HE TOLD THE COMMONS. "FOR BEEF I HAVE ACHIEVED MY MAJOR OBJECTIVE.....THE PREMIUMS ARE BEING CONTINUED SO THAT, WHEN BEEF IS PLENTIFUL, THE UK CONSUMER WILL GET IT MORE CHEAPLY THAN WITH A SYSTEM OF INTERVENTION ONLY." IN 1976-77 THE UK AVERAGE SEASONAL TARGET PRICE WILL BE 26.60 POUNDS PER LIVE CWT COMPARED WITH 23.06 POUNDS IN 1975-76. INITIALLY THE TARGET PRICE BETWEEN MARCH 5 AND APRIL 4

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WILL BE 26.30 POUNDS RISING IN STEPS TO 27.30 POUNDS IN MAY, FALLING PROGRESSIVELY TO 25.30 POUNDS IN THE NORMAL PEAK MARKETING PERIOD IN SEPTEMBER AND OCTOBER THEN RISING AGAIN IN STEPS TO 28.00 POUNDS BETWEEN MID-FEBRUARY AND MID-MARCH 1977. PAYMENT OF BEEF PREMIUMS WILL, HOWEVER, BE SUBJECT TO A CEILING ON THE AMOUNT OF PREMIUM PAYABLE IN ANY WEEK TO 2.88 POUNDS PER LIVE CWT. LESS FAVOURABLE FROM THE BRITISH POINT OF VIEW IS THAT FROM SEPTEMBER NEXT THE COMMUNITY CONTRIBUTION TO THE COST OF BEEF PREMIUMS WILL FALL FROM 50 PERCENT TO 25 PERCENT. IT IS BEING POINTED OUT HERE THAT THE 2.88 POUNDS LIMITATION ON PREMIUM PAYMENTS DOES NOT GUARANTEE THAT NO BEEF WILL GO INTO INTERVENTION IN THE UK. IT COULD TAKE PLACE IF CATTLE PRICES FALL TO AROUND 22.40 POUNDS PER CWT DURING THE AUTUMN SEASONAL MARKETING PEAK. IN RECENT YEARS PRICES AT THAT TIME HAVE BEEN WELL BELOW THIS LEVEL ALTHOUGH IN THE COMING YEAR THE EXPECTED SHORTAGE OF BEEF ANIMALS MAY KEEP PRICES ABOVE IT.

3. UNDER THE TERMS OF THE TREATY OF ACCESSION THE UK'S GUARANTEE PRICE SYSTEM FOR CEREALS CEASES TO OPERATE FROM AUGUST 1 NEXT AND UK GRAIN SUPPORT WILL DEPEND WHOLLY ON COMMUNITY INTERVENTION PRICES ADJUSTED BY ACA'S. THE 1976-77 BASIC WHEAT INTERVENTION PRICE WILL BE BETWEEN 55.55 POUNDS AND 56.75 POUNDS PER METRIC TON (ADJUSTED FOR ACA'S) FOR FEED WHEAT AND, ALLOWING FOR THE PREMIUM FOR BREAD-MAKING WHEAT, 64.10 POUNDS TO 65.30 POUNDS PER TON FOR MILLING WHEAT. THE UK ADJUSTED BARLEY INTERVENTION PRICE WILL BE 56.10 POUNDS PER TON. THESE PRICES COMPARE WITH THE 1975-76 INTERVENTION PRICES PER METRIC TON OF 56.33 POUNDS FOR WHEAT AND 52.90 POUNDS FOR BARLEY (JANUARY EAST COAST BASIS) AND THE FORECAST AVERAGE UK MARKET PRICES IN 1975-76 OF 64.00 POUNDS AND 62.00 POUNDS RESPECTIVELY.

. THE 8 PERCENT INCREASE AGREED IN BRUSSELS FOR SUGAR
BEET POLICIES IN FULL IN THE UK. PEART SAID THE RISE
"WILL GIVE A BOOST TO OUR EXPANSION PROGRAMME AFTER TWO
BAD YEARS. I DO NOT EXPECT ANY INCREASE IN RETAIL SUGAR
PRICES AS A RESULT OF THIS SETTLEMENT."
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5. THE UK GOVERNMENT, BRITISH FARMERS AND THE LIVESTOCK
AND FEED INDUSTRY HAVE BEEN UNITED IN THEIR OPPOSITION
TO THE NFDM INCORPORATION PROPOSAL EVER SINCE IT WAS
FIRST MOOTED. THE UK'S UNWILLING AGREEMENT TO THE
SCHEME TO DISPOSE OF 400,000 TONS OF NFDM THROUGH THE
COMPULSORY INCORPORATION SCHEME HAS BEEN GREETED WITH
LOUD PROTESTS ON ALL SIDES. THE AIDS FOR PRIVATE
STORAGE OF OTHER PROTEIN PRODUCTS SCHEME IS DISMISSED AS
OF NO SIGNIFICANCE.

6. THERE IS ALSO DISMAY THAT THE EC'S CONTRIBUTION TO
THE GENERAL CONSUMER BUTTER SUBSIDY WILL NO LONGER APPLY
TO BUTTER OF NON-COMMUNITY ORIGIN EVEN THOUGH THE RATE
OF CONTRIBUTION ON EC BUTTER HAS BEEN RAISED. MOST
CRITICISM IN THIS SECTOR, HOWEVER, IS CONCENTRATED ON THE
IMMINENT RISE IN THE RETAIL PRICE OF BUTTER AND ALSO
CHEESE UNDER TRANSITIONAL ARRANGEMENTS. BUTTER WILL
SHORTLY RISE AT RETAIL BY (PENCE PER LB. OF WHICH ONLY
2 PENCE IS THE DIRECT RESULT OF THE EC FARM PRICE
DECISION. CHEESE WILL GO UP BY AROUND 5 PENCE PER LB.
AT THE SAME TIME THE FOOD SUBSIDIES ARE TO BE
PROGRESSIVELY REDUCED AS PART OF THE GOVERNMENT'S PUBLIC
EXPENDITURE ECONOMIES.

7. IN THE BRITISH ANNUAL REVIEW DECISIONS THE GUARANTEE
PRICE FOR SHEEP RISES BY 10 PERCENT OR 8.5 PENCE TO 42
PENCE PER LB. AND THE WOOL GUARANTEE BY 22 1/2 PERCENT
OR 7 PENCE TO 38 PENCE PER LB. PEART SAID THESE
INCREASES ARE GREATER THAN THE ESTIMATED INCREASE IN THE
COSTS OF PRODUCING THESE COMMODITIES AND SHOULD GIVE A
SOLID FLOOR TO SHEEP FARMERS RETURNS IN THE COMING YEAR.
NO CHANGE WAS MADE IN THE HILL SHEEP SUBSIDY BUT IT WILL
BE CONTINUED AT THE PRESENT LEVEL FOR AT LEAST THE NEXT

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ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01

XMB-04 OPIC-06 /127 W

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R 121605Z MAR 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9783

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

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TWELVE MONTHS. THE HILL COW SUBSIDY IS, HOWEVER, BEING
RAISED BY 4.50 POUNDS PER ELIGIBLE COW TO 29 POUNDS WHICH
IS THE MAXIMUM LEVEL PERMITTED BY THE LESS FAVOURED
AREAS DIRECTIVE. FURTHERMORE, THE INCREASE WILL BE PAID
AS A SUPPLEMENT TO THE 1976 PAYMENT. THE BEEF COW AND
CALF SUBSIDIES WOULD HAVE EXPIRED THIS YEAR BUT IT IS
INTENDED TO EXTEND THEM FOR A FURTHER OERIOD
WITH THE BEEF COW SUBSIDY GOING ON UNTIL AN AS YET
UNSPECIFIED QUALIFYING DATE IN 1977 WHILE THE CALF
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SUBSIDY WILL BE PAID ON CALVES BORN UP TO THE END OF APRIL 1977 SO THAT SOME PAYMENTS WILL CONTINUE THEREFORE UNTIL EVEN 1978.

8. BRITISH FARMERS HAVE RECENTLY BEEN CLAMOURING FOR A SUBSTANTIAL INCREASE IN THE POTATO GUARANTEE PARTICULARLY IN VIEW OF LAST YEAR'S VERY SMALL CROP. PEART SAID A SUBSTANTIAL INCREASE IN THE GUARANTEE PRICE IS JUSTIFIED WHICH GOES UP BY 12 POUNDS PER LONG TON OR 43 PERCENT TO 40 POUNDS PER TON.

9. LASTLY IN THE CAPITAL GRANTS SECTOR OF THE UK REVIEW, CERTAIN RATES OF CAPITAL GRANTS UNDER BOTH THE FARM AND HORTICULTURAL DEVELOPMENT SCHEME AND THE FARM CAPITAL GRANT SCHEME ARE TO BE RAISED TO A VALUE OF ABOUT AN ADDITIONAL 30 MILLION POUNDS PER YEAR, COVERING GRANTS FOR SILOS, MILK BUILDINGS AND EQUIPMENT. CATTLE ACCOMMODATION, HAY BARN VENTILATION, FENCING, RE-SEEDING AND LAND RECLAMATION. ADDITIONALLY, THE GOVERNMENT INTENDS TO WIDEN AND SIMPLIFY THE OPERATION OF THE FARM AND HORTICULTURAL DEVELOPMENT SCHEME, PART OF WHOSE COST IS MET FROM COMMUNITY FUNDS. THE GOVERNMENT INTENDS TO ENABLE MANY MORE FARMERS TO QUALIFY FOR GRANTS UNDER THIS SCHEME.

*0. SUMMING UP, THE MINISTER SAID, "IN OUR WHITE PAPER LAST YEAR, WE COMMITTED OURSELVES TO THE ECONOMIC CAUSE FOR MORE PRODUCTION FROM OUR OWN FARMS. WE SET PRIORITIES AND AN OBJECTIVE TO BE PURSUED CONSISTENTLY TO THE EARLY 1980'S. THESE HIGHER SUPPORT PRICES AND GRANTS FOR OUR FARMERS MAKE AVAILABLE THE RESOURCES WHICH WILL SET US ON COURSE FOR A GOOD FARMING YEAR IN *97-7' AND WILL HELP TO ACHIEVE THE MINIMUM TERM OBJECTIVES IN THE "FOOD FROM OUR OWN RESOURCES" WHITE PAPER."

REACTION TO EC FARM DECISIONS

11. CRITICS OF BRUSSELS' DECISIONS CONCENTRATE ON TWO MAIN POINTS, EC SURPLUSES AND EFFECT ON BRITISH FOOD PRICES.

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12. IN COMMONS. CRITICISM OF NFDM INCORPORATION AND CONCERN OVER GENERAL SURPLUS QUESTION CAME FROM WIDE SPECTRUM OF MP'S. ANTI-MARKETEERS OF COURSE WERE TO THE FORE INCLUDING LABOUR LEFT-WINGERS BUT ALSO DOUGLAS JAY, LONG STANDING ANTI-MARKETEER BUT ON RIGHT WING OF PARTY ON MOST MATTERS. CONSERVATIVE ANTI-MARKETEERS SUCH AS NEIL MARTEN, BUT ALSO JOHN DAVIES, ONE OF THE MAJOR ORO-

MARKETEERS AND A HEATH GOVERNMENT MINISTER DEEPLY INVOLVED IN NEGOTIATING ENTRY. DAVIES'S CRITICISM IS THEREFORE PERHAPS THE MOST TELLING. HE SAID, "THE BALANCE OF JUDGEMENT REACHED IN THE COUNCIL OF MINISTERS IS CRE WHICH PAYS TOO MUCH REGARD TO THE SURPLUS PRODUCERS IN THE COMMUNITY AND TOO LITTLE TO COUNTRIES SUCH AS BRITAIN WHO ARE THE CUSTOMERS OF THESE SURPLUSES FRANCIS PYM, CONSERVATIVE AGRICULTURAL SPOKESMAN SAID, "WE ARE NOT SATISFIED WITH THE PROPOSALS..... ANNOUNCED OR SKIMMED MILK. THEY ARE BETTER THAN THE ORES BEFORE US WHEN WE DEBATED THOSE THREE WEEKS AGO. BUT THE UK IS NOT IN SURPLUS. IT IS NOT OUR RESPONSIBILITY..... IT IS LIKELY TO PROVE UNFAIR TO OIG AND POULTRY PRODUCERS AND COULD CONCEIVABLY AFFECT THE PRICE OF PIGS Y 10 PENCE OER SCORE (20 LBS.) WHICH IS AN AVOIDABLE INCREASE." PEART ACKNOWLEDGED HIS CONCERN SAYING, "WE HAVE TO WATCH CAREFULLY THIS QUESTION.....IT IS A MATTER OF HOW IT IS ADMINISTERED." NEIL MARTEN SAID, "WILL NOT THIS REVIEW INCREASE THE SKIMMED MILK MOUNTAIN? WHAT IS IT COSTING THE BRITISH PEOPLE? THEY DID NOT CREATE ANY OF IT."

13. IN THIS REGARD IT IS WORTH NOTING THAT DURING RECENT WEEKS MUCH INCREASED QUANTITIES. THOUGH STILL SMALL BY EC STANDARDS, OF NFDH HAVE BEEN GOING INTO INTERVENTION IN BRITAIN. IN THE FIRST TWO MONTHS OF 1976, 12.100 TONS WENT INTO INTERVERTIOR HERE AS AGAINST ONLY 1.300

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ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01

XMB-04 OPIC-06 /127 W

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R 121605Z MAR 76
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 9784
INFO AMEMBASSY BONN
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TONS IN THE SAME TWO MONTHS OF 1975 AND ONLY 28,200
TONS IN THE WHOLE OF 1975. THE INCREASE THIS YEAR
REFLECTS A SHARP RISE IN BUTTER PRODUCTION ARISING FROM
THE BOOST GIVEN TO MILK OUTPUT DURING THE MILD WINTER.

14. ON MARCH 10, A COMBINED ATTACK ON THE EC DRAFT
DIRECTIVES ON THE NFDM SURPLUS WAS MOUNTED BY
CONSERVATIVES, LIBERALS AND LABOUR LEFT-WINGERS. THE
GOVERNMENT WITHDREW ITS MOTION "TAKING NOTE" OF THE
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DIRECTIVES AND ACCEPTED THE CONSERVATIVE AMENDMENT "TO
DISAPPROVE" OF THEM. THIS MAKES NO DIFFERENCE TO THE
APPLICATION IN THE UK OF THE NFDM SCHEME BUT DOES
ILLUSTRATE THE DEEP RESENTMENT AGAINST IT.

15. ON THE EFFECT ON UK FOOD PRICES, PEART FACED A STORM
OF PROTEST FROM LABOUR LEFT-WINGERS. ONE SAID,
"MR. PEART'S STATEMENT HAS MADE A COMPLETE FARCE OF AND
RENDERED SUPERFLUOUS ANY FORM OF CONSUMER PROTECTION IN
THIS COUNTRY. THIS AGREEMENT COULD HAVE A SERIOUS AND
DELETERIOUS EFFECT ON THE GOVERNMENT'S POLICY WITH THE
TRADE UNION MOVEMENT." OTHER MEMBERS SAID THAT THE
CURRENT PROPOSALS TO PHASE OUT FOOD SUBSIDIES MUST BE
ABANDONED AND THAT SUBSIDIES WOULD NEED TO BE INCREASED
RATHER THAN REMOVED.

16. PEART WAS ATTACKED BY HIS FORMER NO. 2 AT THE
MINISTRY OF AGRICULTURE. MR. NORMAN BUCHAN, WHO SAID'
"THIS PACKAGE REPRESENTS A MAJOR DEFEAT FOR ALL THE

OPES WITH WHICH WE ENTERED NEGOTIATIONS." BUCHAN AND OTHERS RECALLED PEART'S PAST ANTI-EC STANCE AND ASKED HIM TO ACKNOWLEDGE THAT HE WAS RIGHT IN THOSE DAYS ABOUT THE EFFECTS OF THE CAP. PEART WAS ASKED TO ACKNOWLEDGE THAT IN ORDER TO OBTAIN SANCTION FOR CONTINUING BEEF PREMIUMS HE WAS OBLIGED TO CAPITULATE ON OTHER ISSUES.

17. FRANCIS PYM AND JEREMY THORPE, LIBERAL LEADER, DREW ATTENTION TO THE WIDENING DISPARITY BETWEEN STERLING AND THE GREEN POUND. PEART SAID AFTER TWO ADJUSTMENTS TO THE GREEN POUND IN THE PAST SIX MONTHS HE WAS RIGHT TO RESIST FURTHER DEVALUATION AT THIS STAGE BECAUSE OF THE EFFECT ON FOOD PRICES.

8. ON MARCH 9, THE NFU STRONGLY ATTACKED MP'S AND REPRESENTATIVES OF CONSUMERS WHO HAVE CRITICISED THE FARM DEALS. CONCERN WAS EXPRESSED "AT THE HYSTERICAL REACTION AND OPPOSITION TO THESE PRICE INCREASES BY CERTAIN SECTORS. THE UNION WISHES TO REMIND CONSUMERS

GROUPS THAT ONE OF THE PRINCIPAL REASONS WHY FARM PRICES HAVE HAD TO BE INCREASED IS TO OFFSET INCREASED COSTS BROUGHT ABOUT BY SELF-GENERATED INFLATION IN THE UK.
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WAGE AND SALARY EARNERS WHO CONSTITUTE THE CONSUMERS OF THIS COUNTRY CANNOT EXPECT THE PRICE OF FOOD TO BE HELD WHEN ONLY RECENTLY THEIR INCOMES WERE INCREASING AT AN ANNUAL RATE OF 30 PERCENT AND MORE." THE NFU SAID THE 14 1/2 PERCENT RISE IN AVERAGE FARM PRICES AGAINST COST INCREASES OF 11 PERCENT WAS A BELATED ATTEMPT TO RECTIFY THE SEVERE DETERIORATION IN THE INCOMES OF FARMERS WHICH WERE 14 PERCENT BELOW LAST YEAR'S LEVEL AND 30 PERCENT DOWN FROM TWO YEARS AGO. BUT THE NFU CONTINUED ITS CONDEMNATION OF THE NFDM INCORPORATION SCHEME.

19. THE MILK MARKETING BOARD CLAIMS THAT EVEN WITH THE

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XMB-04 OPIC-06 /127 W

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R 121605Z MAR 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9785

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1 PERCENT RISE IN THE FLUID MILK PRICE. UK FARMERS WILL STILL BE RECEIVING LESS THAN THE EC TARGET PRICE. NEVERTHELESS, THE AWARD WILL ENCOURAGE CONTINUED RECOVERY IN MILK PRODUCTION.

20. THE POTATO MARKETING BOARD SAYS THE 43 PERCENT RISE IN THE POTATO GUARANTEE IS NOT ENOUGH AND 50 POUNDS PER TON RATHER THAN 40 OUNDS WAS NECESSARY TO OFFSET COST INCREASES.

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COMMENT. AS TRANSITION NEARS ITS END AND THE DAY APPROACHES FOR FULL UK INTEGRATION INTO THE CAP. THE STRENGTH OF ANTI-CAP FEELING HAS BEEN GIVEN A DEFINITE AND SIGNIFICANT BOOST BY THE MARCH 6 DECISIONS. IT IS

PARTICULARLY SIGNIFICANT THAT MP'S OF ALL SHADES OF
OLITICAL OONION ARE BECOMING VERY UNHAPPOY ABOUT THE
COMMUNITY'S FAILURE TO ACT CONSTRUCTIVELY ON LIMITING
SURPLUS PRODUCTION. PEART'S SUCCESS IN CONTINUING FOR
THE TIME BEING THE BEEF PREMIUMS DOES NO MORE THAN POST-
PONE ANOTHER STORM OF PROTEST WHICH MUST RESULT WHEN,
AS SEEMS LIKELY, THE UK HAS TO FALL INTO LINE ON BEEF
NEXT YEAR. IT IS NOW BECOMING VERY CLEAR THAT LAST
YEAR'S SO-CALLED RENEGOTIATION OF HE CAP, WHICH WAS MADE
SO MUCH OF IR THE PRE-REFERENDUM PERIOD, WAS NO MORE THAN
A WIRDOW-DRESSING EXERCISE AND THAT BRITISH HOPES OF A
FUNDAMENTAL RESTRUCTURING OF THE CAP WERE EMPTY DREAMS.
IN THE SHORTER TERM THE ANTI-MARKETEERS WILL MAKE MUCH
OF THE IMOACT ON FOOD PRICES BUT THIS IS OOSSIBLY OF
LESS SIGNIFICANCE THAN THE MORE WIDESPREAD AND GROWING
DISILLUSIONMENT ABOUT THE FAILURE OF THE UK TO BRING
ABOUT FUNDAMENTAL CHANGES IN THE CAP.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DAIRY PRODUCTS, MINISTERIAL MEETINGS, AGRICULTURAL POLICIES, AGRICULTURAL PRICE SUPPORTS, AGRICULTURAL COMMODITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON03913
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760094-0542
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760367/aaaachao.tel
Line Count: 622
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 12
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 EC BRUSSELS 2337
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 06 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 JUL 2004 by vandykic>; APPROVED <30 AUG 2004 by wolfsd>
Review Markings:

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Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC 1976-77 FARM DECISIONS CAUSE DISMAY IN DECISIONS ALSO ANNOURCED
TAGS: EAGR, UK, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006